

To the Mayor and Members of the City Council**March 5, 2019**

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**First Public Hearing for Proposed Owner-Initiated Annexation of Approximately 61.4 Acres of Land in Denton County, Known as Hines Two, in the Far North Planning Sector, AX-18-0014 (FUTURE COUNCIL DISTRICT 7)**

HRUS Alliance, LLC has submitted an application for full-purpose annexation of approximately 61.4 acres of land in Denton County, located north of Alliance Airport, south of highway 114, and along FM 156. The proposed annexation area contains mostly vacant land and one gas well. This site is proposed for industrial type development. Upon annexation, the area will become part of Council District 7 and is depicted in Exhibit A.

The proposed annexation is also related to annexation case AX-18-0013 which is running concurrently with a companion zoning case. Both annexation cases as well as their companion zoning cases are scheduled for final action by City Council on the same agenda.

With owner-initiated annexation, Texas Local Government Code (Sec. 43.0672) requires a municipality to negotiate and enter into a written agreement with the property owner for the provision of municipal services prior to annexation. The services that the annexation area will receive immediately upon annexation are: police, fire, and emergency medical services; solid waste services; library services; building inspection and code compliance; maintenance of existing public water and sewer lines; and public street maintenance. The proposed Municipal Services Agreement for this annexation area is attached for review.

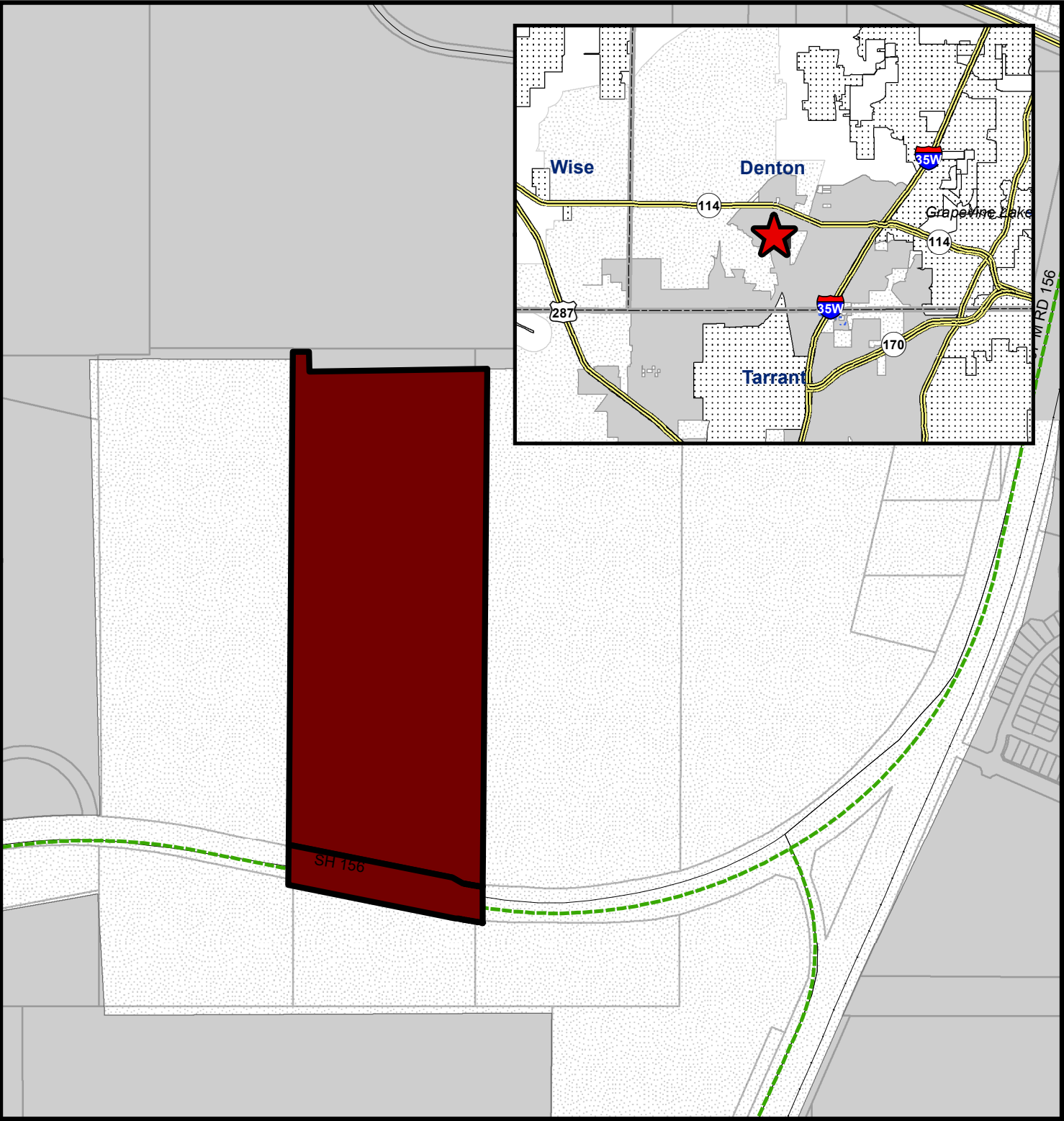
State law (Sec. 43.0673) also requires a municipality to hold two public hearings on proposed owner-initiated annexation to receive public comments. The first public hearing for this annexation area is scheduled for March 5, 2019. The second public hearing is scheduled for March 19, 2019. On March 19, the City Council is also scheduled to approve the Municipal Services Agreement and to adopt an ordinance annexing the area for full purposes. The only City Council action necessary on March 5 is to close the public hearing after receiving public comments.

Attachments (2)

Annexation AX-18-0014

Exhibit A

Addition of approximately 61.4 Acres to become part of Council District 7



Fort Worth

DESIGNATION

- | | |
|--|---|
|  Full Purpose |  Annexation Area |
|  Limited Purpose |  Adjacent Cities |
|  Extraterritorial Jurisdiction |  County Boundaries |

0 245 490 980 Feet

1:8,400



Planning & Development Department
12/28/2018

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MUNICIPAL SERVICES AGREEMENT
BETWEEN THE CITY OF FORT WORTH, TEXAS AND
HRUS ALLIANCE LLC

This Municipal Services Agreement ("Agreement") is entered into on _____ day of _____, 2019 by and between the City of Fort Worth, Texas, a home-rule municipality of the State of Texas, ("City") and HRUS Alliance, LLC, a Delaware limited liability company ("Owner").

RECITALS

The parties agree that the following recitals are true and correct and form the basis upon which the parties have entered into this Agreement.

WHEREAS, the City is currently classified as a Tier 2 municipality for purposes of annexation under the Texas Local Government Code ("LGC");

WHEREAS, Section 43.0671 of the LGC permits the City to annex an area if each owner of land in an area requests the annexation;

WHEREAS, where the City elects to annex such an area, the City is required to enter into a written agreement with the property owner(s) that sets forth the City services to be provided for the Property on or after the effective date of annexation (the "Effective Date");

WHEREAS, Owner owns certain parcels of land situated in Denton County, Texas, which consists of approximately 56.823 acres of land in the City's extraterritorial jurisdiction, such property being more particularly described and set forth in Exhibit "A" attached and incorporated herein by reference ("Property");

WHEREAS, Owner has filed a written request with the City for full-purpose annexation of the Property, identified as Annexation Case No. AX-18-0014 ("Annexation Case");

WHEREAS, City and Owner desire to set out the City services to be provided for the Property on or after the effective date of annexation;

WHEREAS, the Annexation Case and execution of this Agreement are subject to approval by the Fort Worth City Council; and

NOW THEREFORE, in exchange for the mutual covenants, conditions and promises contained herein, City and Owner agree as follows:

- 1. PROPERTY.** This Agreement is only applicable to the Property, which is the subject of the Annexation Case.
- 2. INTENT.** It is the intent of the City that this Agreement provide for the delivery of full,

available municipal services to the Property in accordance with state law, which may be accomplished through any means permitted by law. For purposes of this Agreement, “full municipal services” means all services provided by the City within its full-purpose boundaries, including water and wastewater services and excluding gas or electrical service.

3. MUNICIPAL SERVICES.

- a. Commencing on the Effective Date, the City will provide the municipal services set forth below. As used in this Agreement, “providing services” includes having services provided by any method or means by which the City may extend municipal services to any other area of the City, including the City's infrastructure extension policies and developer or property owner participation in accordance with applicable city ordinances, rules, regulations, and policies.
 - i. Fire – The City's Fire Department will provide emergency and fire protection services.
 - ii. Police – The City's Police Department will provide protection and law enforcement services.
 - iii. Emergency Medical Services – The City's Fire Department and MedStar (or other entity engaged by the City after the Effective Date) will provide emergency medical services.
 - iv. Planning and Zoning – The City's Planning and Development Department will provide comprehensive planning, land development, land use, and building review and inspection services in accordance with all applicable laws, rules, and regulations.
 - v. Parks and Recreational Facilities – Residents of the Property will be permitted to utilize all existing publicly-owned parks and recreational facilities and all such facilities acquired or constructed after the Effective Date (including community service facilities, libraries, swimming pools, etc.), throughout the City. Any private parks, facilities, and buildings will be unaffected by the annexation; provided, however, that the City will provide for maintenance and operation of the same upon acceptance of legal title thereto by the City and appropriations therefor. In the event the City acquires any other parks, facilities, or buildings necessary for City services within the Property, the appropriate City department will provide maintenance and operations of the same.
 - vi. Other Publicly Owned Buildings – Residents of the Property will be permitted to use all other publicly owned buildings and facilities where the public is granted access.
 - vii. Stormwater Utility Services – The Property will be included in the City's Stormwater Utility service area and will be assessed a monthly fee based on the amount of impervious surface. The fees will cover the direct and indirect costs of stormwater management services.
 - viii. Roads and Streets (including Street lighting) – The City's Transportation and Public Works Department will maintain the public streets and streetlights over which the City has jurisdiction. The City will provide regulatory signage services in accordance with the City policies and procedures and applicable laws.
 - ix. Water and Wastewater to Existing Structures – Occupied structures that are

using water-well and on-site sewer facilities on the Effective Date may continue to use the same. If a property owner desires to connect an existing structure to the City water and sewer system, then the owner may request a connection and receive up to 200 linear feet of water and sewer extension at the City's cost for each occupied lot or tract in accordance with the City's "Policy for the Installation of Community Facilities" and applicable law. Once connected to the City's water and sanitary sewer mains, the water and sanitary sewage service will be provided by the City at rates established by City ordinances for such service.

- x. Solid Waste Services – The City will provide solid waste collection services in accordance with existing City ordinances and policies, except where prohibited by law.
 - xi. Code Compliance – The City's Code Department will provide education, enforcement, and abatement relating to code violations within the Property.
 - xii. Full Municipal Services – Commencing on the Effective Date, the City will provide to the Property all services provided by the City within its full-purpose boundaries and not otherwise listed above, except as provided in Section 3(b).
- b. The City will provide water service and wastewater treatment service to developments established after the Effective Date in accordance with, and on the schedule determined by, the City's extension policies and applicable law and at rates established by City ordinances for such services.
 - c. It is understood and agreed that the City is not required to provide a service that is not included in this Agreement.
 - d. Owner understands and acknowledges that the City departments listed above may change names or be re-organized by the City Manager. Any reference to a specific department also includes any subsequent City department that will provide the same or similar services.
4. **SERVICE LEVEL.** The City will provide the Property with a level of services, infrastructure, and infrastructure maintenance that is comparable to the level of services, infrastructure, and infrastructure maintenance available in other parts of the City with topography, land use, and population density similar to those reasonably contemplated or projected for the Property.
5. **AUTHORITY.** City and Owner represent that they have full power, authority and legal right to execute, deliver and perform their obligations pursuant to this Agreement. Owner acknowledges that approval of the Annexation Case is within the sole jurisdiction of the City Council. Nothing in this Agreement guarantees favorable decisions by the City Council.
6. **SEVERABILITY.** If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability will not affect the validity of any other part, term or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of the Agreement.
7. **INTERPRETATION.** The parties to this Agreement covenant and agree that in any litigation relating to this Agreement, the terms and conditions of the Agreement will be interpreted

according to the laws of the State of Texas. The parties acknowledge that they are of equal bargaining power and that each of them was represented by legal counsel in the negotiation and drafting of this Agreement.

8. **GOVERNING LAW AND VENUE.** Venue shall be in the state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas, Fort Worth Division and construed in conformity with the provisions of Texas Local Government Code Chapter 43.
9. **NO WAIVER.** The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.
10. **GOVERNMENTAL POWERS.** It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.
11. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
12. **CAPTIONS.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
13. **AGREEMENT BINDS AND BENEFITS SUCCESSORS AND RUNS WITH THE LAND.** This Agreement is binding on and inures to the benefit of the parties, their successors, and assigns. The term of this Agreement constitutes covenants running with the land comprising the Property, is binding on the Owner and the City, and is enforceable by any current or future owner of any portion of the Property.
14. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements between said parties. This Agreement shall not be amended unless executed in writing by both parties.

Executed as of the day and year first above written to be effective on the effective date of annexation of the Property.

CITY OF FORT WORTH

By: _____
Jesus "Jay" Chapa
Assistant City Manager

Approved as to Form and Legality:

Senior Assistant City Attorney

Attest:

Mary Kayser
City Secretary

Approvals:
M&C _____
Ordinance No. _____

State of Texas §
County of Tarrant §

This instrument was acknowledged before me on the _____ day of _____, 2019,
by Jesus "Jay" Chapa, Assistant City Manager of the City of Fort Worth, a Texas municipal
corporation, on behalf of said corporation.

By: _____

Notary Public, State of Texas

HRUS ALLIANCE LLC

By: **HRUS Interests I LLC**, its sole member

By: Hines HRUS MM LLC, its managing member

By: Hines HRUS Associates Limited Partnership, its sole member

By: Hines Investment Management Holdings Limited Partnership,
its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited
Partnership, its sole member

By: JCH Investments, Inc.,
its general partner

By: 

Palmer Letzerich
Senior Managing Director

STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 14 day of January, 2019, by Palmer Letzerich, Senior Managing Director of JCH Investments, Inc., the general partner of Hines Real Estate Holdings Limited Partnership, the sole member of HIMH GP LLC, the general partner of Hines Investment Management Holdings Limited Partnership, the general partner of Hines HRUS Associates Limited Partnership, the sole member of Hines HRUS MM LLC, the managing member of HRUS Interests I LLC, the sole member of HRUS Alliance LLC, a Delaware limited liability company, on behalf of such limited liability company.





Notary Public, State of Texas

After Recording Return to:
City Secretary
City of Fort Worth
200 Texas Street
Fort Worth, Texas 76102

EXHIBIT A
ANNEXATION LEGAL DESCRIPTION

All that certain lot, tract, or parcel of land, situated in a portion of the William Sample Survey, Abstract No. 1207, Denton County, Texas, being part of that certain called 73.567 acre tract described as Tract 2 in a deed to Alliance-156 Partners, LP recorded in Instrument No. 2010-110449 of the Deed Records of Denton County, Texas (DRDCT), and being more completely described as follows, to-wit:

BEGINNING at a 5/8" capped iron rod found stamped "5587" for the Northwest corner of said 73.567 acre tract, the Northeast corner of a called 73.362 acre tract described in a deed to Jeanne Shelton recorded in Instrument No. 1999-115848 (DRDCT), and being in the recognized North line of said William Sample Survey;

THENCE North 89 deg. 8 min. 17 sec. East along the North lines of said 73.567 acre tract and Sample Survey, a distance of 80.99 feet to a 1/2" capped iron rod found stamped "LANDERS" for an ell corner of said 73.567 acre tract;

THENCE South 01 deg. 43 min. 48 sec. East departing the North line of said Sample Survey and continue along a North line of said 73.567 acre tract, a distance of 100.16 feet to a 5/8" capped iron rod found stamped "DUNAWAY" for an ell corner of said 73.567 acre tract;

THENCE North 89 deg. 12 min. 13 sec. East along the North line of said 73.567 acre tract, a distance of 900.68 feet to a 5/8" capped iron rod found stamped "DUNAWAY" for the Northeast corner of same and being the Northwest corner of a called 73.700 acre tract described as Tract 1 in a deed to William Scott Wilson, et al recorded in Instrument No. 2018-3114 (DRDCT);

THENCE South 0 deg. 29 min. 39 sec. West along the East line of said 73.567 acre tract and the West line of said 73.700 acre tract, a distance of 2,624.07 feet to a 5/8" capped iron rod found stamped "DUNAWAY" in the North right-of-way line of Farm-to-Market Highway No. 156 (variable width right-of-way), from which a 1/2" iron rod found bears North 83 deg. 51 min. 26 sec. West - 4.07 feet, said point being a Point of Curvature of a non-tangent circular curve to the right, having a radius of 2,211.76 feet, a central angle of 2 deg. 41 min. 6 sec., and being subtended by a chord which bears North 80 deg. 3 min. 31 sec. West - 103.64 feet;

THENCE in a Westerly direction departing said East and West lines, and continue along said curve to the right and said North right-of-way line, a distance of 103.65 feet to a brass monument found stamped "TXDOT ROW";

THENCE North 59 deg. 25 min. 36 sec. West non-tangent to said curve and continue along said North right-of-way line, a distance of 60.54 feet 1/2" capped iron rod set stamped "GOODWIN & MARSHALL";

THENCE North 78 deg. 42 min. 59 sec. West along said North right-of-way line, a distance of 845.57 feet 5/8" capped iron rod found stamped "DUNAWAY" in the West line of said 73.567 acre tract and the East line of said 73.362 acre tract, from which a brass monument found stamped "TXDOT ROW" bears North 76 deg. 38 min. 1 sec. West - 1.58 feet;

THENCE North 0 deg. 29 min. 33 sec. East departing said North right-of-way line and continue along the West line of said 73.567 acre tract and the East line of said 73.362 acre tract, a distance of 2,496.31 feet to the **POINT OF BEGINNING**, containing 2,475,207 square feet or 56.823 acres of land, more or less.

Bearings are referenced to Texas State Plane Coordinate System, North Central Zone (4202), North American Datum of 1983 as derived from GPS observation.

Exhibit map attached and made a part hereof.